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Minnesota Management and Budget Increases Budget Reserve by $150 million
Reserve Level Highest in State History

St. Paul— Today, July 1, 2014, marks the first increase in the state budget reserve account in 13 years. Minnesota Management & Budget Commissioner Jim Schowalter announced today that the state has recognized an additional $150 million in the state budget reserve based on legislation signed into law during the recently completed legislative session. The additional $150 million brings the level to $811 million, which is the highest level in the state's history.

"This action is a substantial step towards additional budget stability and prudent financial management for the state," Commissioner Schowalter said. "Increasing the budget reserve helps the state manage economic risk and is viewed positively by the state's bond rating agencies."

The State of Minnesota has not increased the budget reserve since 2001 when it was set at $653 million. The legislation that was signed into law also included statutory language that would dedicate one-third of future budget balances to the reserve, allowing it to increase in the future.

"Minnesota has finally turned the corner on a decade of deficits that shortchanged our students and stymied needed progress for our state," said Governor Dayton. "We turned a $6.2 billion deficit into a surplus, repaid all the $2.8 billion previously borrowed from our schools, made important new investments in education and job creation, and increased the reserve to its highest level in history. I thank this legislature for its responsible fiscal management; and I thank the people of Minnesota, whose hard work has fueled our state's strong and continued economic growth."

There is a current projected budgetary balance of $603 million for the 2016-17 biennium. An end of session budget summary can be found at:
http://www.mmb.state.mn.us/doc/budget/report-fba/14-session-highlights.pdf

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